



MARYLAND



GRAIN & LIVESTOCK REPORT

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Market Analysis - September 28, 2004Michael Haigh-Assistant ProfessorUniversity of MD Cooperative Extension

Will we see beans below \$5? Looking more and more likely the closer we get to the October report. Soybean trade moved lower last week with new 2004 lows recorded every single day. November was down 30 cents. Soybean ratings were listed good to excellent ratings at 64% v last week’s 63% v last year’s 40%. Yield estimates continue to report better than expected numbers and the vocal bears are talking about \$5 beans in the short run and some are also talking \$4.50! LDP are kicking, and it would be wise to protect against further declines with puts (long). The drop is very likely if we see bigger crops and bigger carryover numbers released this Thursday. On Monday things were calm and any buying was due to a bounce from overselling. Buying on Tuesday was limited to short covering and nobody interpreted that as being a change in outlook – it was truly short covering and everyone knew that. There is certainly enough grain and oilseed supplies to carry the demand and even if crops come in below estimates harvest pressures will keep prices down. Corn also moved lower due to technical pressures and good yields. As of last Friday corn was down 40 cents from the September highs and down about \$1.35 from this spring. The quarterly hog and pig report on Friday was supportive for corn but made little difference. Producers should pay attention to LDP levels (if you have been ignoring these – they grew by an average of 20 cents last week). If you have corn in the bins it seems to make sense to take the LDP and go long out of the money puts rather than wait for a price spike. Despite all this the market sentiment seems to be that corn is slightly oversold and due for a bounce. Indeed export inspections on Monday were near 42 million bushels – much higher than expectations. Corn basis bids continue to weaken as harvest projections rocket north. Some traders are expecting corn to come in over 11.4 million bushels! Some LDP marketing has taken place nationwide which has kept any hope of a rally. Wheat took a hit last week due to spillover pressure and basically the lack of any news to counteract that. On Monday wheat prices continued to fall despite higher than expected wheat export inspection numbers. Some of the weakness was due to unwinding some spread positions with corn. The long wheat, short corn spread means short wheat, long corn spread to offset. The Funds were noted sellers in this market ahead of the USDA report and a continual lack of bullish fundamentals continues to weigh on prices. Persistent weakness of the dollar might help things in these markets (but I seriously doubt it).

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Dec04)	NEW (Dec04)	CASH (Nov04)	NEW(Nov04)	CASH(Dec04)	NEW(Jul05)
Western MD	+16	n/a	-29	n/a	-7	n/a
Central MD	+10	+10	+9	+9	-14	-19
Southern MD	-9	-9	+7	+7	+30	-19
Upper E. Sh	-8	-8	-32	-32	n/a	-29
Lower E. Sh	-2	-2	-5	-24	-24	-28

WEEKLY CROP WEATHER SUMMARYMARYLAND AGRICULTURAL STATISTICS SERVICE

Farmers have begun planting **barley** and **wheat** for the 2005 crop season. Barley was 13 percent planted, 11 percent above last year and 10 percent above the five-year average. Wheat was 4 percent planted, above last year and the five-year average. Weather conditions have been very favorable to planting small grains and harvesting corn and sorghum. There were 6.2 **days suitable for field work** for the week ending September 26, 2004. **Corn** harvest advanced 18 percent this week to 36 percent, 19 percent above last year and 5 percent above the five-year average. **Soybeans** are making good progress with 57 percent turning color and 25 percent dropping leaves. A few farmers are starting to harvest their soybean crop. Cutting of 4th crop **alfalfa** and **other hay** increased to 72 percent and 40 percent, respectively.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	9/21	9/28	9/21	9/28	9/21	9/28	9/21	9/28
Western Md	2.64	2.23	5.33	5.05	3.20	3.13	1.98	1.98
Central MD	2.20	2.17	5.51	5.43	3.26	3.06	2.15	2.15
Southern MD	1.98	1.98	5.07	5.07	3.50	3.50	----	----
Upper E. Shore	2.10	1.99	5.12	5.02	---	----	---	----
Lower E. Shore	2.15	2.05	5.47	5.29	3.15	2.96	1.76	1.76
Soybean Meal Lower Eastern Shore Dealer's Average Cash quotes (\$/ton)								
Date	9/21		9/28		Date		9/21	
48% Soybean Meal	190.00		190.00		44% Soybean Meal		178.00	
FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer's Avg Quotes								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	9/21	9/28	9/21	9/28	9/21	9/28	9/21	9/28
Western Md	----	----	----	----	----	----	----	----
Central MD	2.20	2.17	5.51	5.43	3.26	3.21	----	2.15
Southern MD	1.98	1.98	5.07	5.07	3.21	3.21	1.65	1.65
Upper E Shore	2.10	1.99	5.12	5.02	3.25	3.11	1.65	1.65
Lower E Shore	2.15	2.05	5.21	5.10	3.25	3.12	1.65	1.65
GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Sep 28, 2004								
Corn		Soybeans		Wheat		Soybean Meal ¹		
Dec	208.40	Nov	531.40	Dec	315.60	Oct	158.20	
Mr05	219.40	Ja05	539.40	Mar05	327.60	Dec	161.60	
May	226.20	Mar	546.60	May	333.00	Ja05	162.90	
Jul	232.40	May	553.40	Jul	336.60	Mar	165.80	
Sep	238.60	Jul	560.40	Sep	343.00	May	168.80	
Dec	246.00	Aug	560.00	Dec	350.00	Jul	172.30	

¹ \$/ton

HAY AND STRAW										
New Holland, PA - \$/ton - Sep 27, 2004 - 90 Loads										
Alfalfa		Mixed		Timothy		Orchardgrass		Straw		
35.00-180.00		47.00-200.00		70.00-165.00		60.00-170.00		95.00-230.00		
Westminster, MD - \$/bale - Sep 29, 2004 -										
Not Available										
POULTRY (Grade A) - Week Ending Oct 02, 2004										
		Current Week		Week Ago		Month Ago		Year Ago		
NY Wtd Avg. (Fryers)		63.26		62.74		68.69		61.68		
12 City Composite		69.92		69.59		74.34		64.59		
LAMBS - Westminster, MD - \$/cwt - Sep 28, 2004										
60- 70 lbs		117.50-137.50		Sheep						
80- 90 lbs		95.00-122.50		All Weights				41.00-75.00		
100-130 lbs		93.00-105.00								
TERMINAL MARKETS HOGS - Sep 28, 2004				DIRECT MARKET HOGS - Westminster, MD - Sep 28, 2004						
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)		Butcher Hogs		215-260 lbs 45.00-53.50		
a.m.		Base 185 lb Hog		300-449 lbs						
Iowa, Minn		66.00-81.75		41.40-47.65						
Eastern Cornbelt		76.00-82.00		34.42-53.78		Millsboro, DE Market Hogs - (\$/cwt) - Next Sale - Oct. 19, 2004				
FEEDER PIGS - (\$/cwt) -										
Gumboro, DE - Sep 28, 2004				New Holland, PA - Sep 29, 2004						
Head:		Trend:		Head: 113		Trend: All slaughter				
		Next Sale Oct. 19, 2004				43-46 lbs 105.00-120.00				
						63-75 lbs 80.00- 90.00				
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Sep 28, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Sep 28, 2004						
Sep	84.50	Dec	86.65	Oct	74.20	Apr	63.25			
Oct	84.10	Fb05	88.53	Dec	67.83	May	62.23			
Nov	85.00	Apr	86.45	Feb05	65.30	Jun	66.28			
STOCKER-FEEDER CATTLE - (\$/cwt)										
Winchester, VA - Sep 27, 2004				Westminster, MD - Sep 28, 2004						
Steers	300- 400 lbs	118.00-140.00		Steers (M&L)	300- 400 lbs	71.00-106.00				
	400- 500 lbs	115.00-132.00			500- 600 lbs	87.00-107.00				
	500- 600 lbs	105.50-124.00			700- 800 lbs	52.50- 70.00				
	600- 700 lbs	98.00-114.00			900 lbs	61.50- 78.50				
	700- 800 lbs	98.50-100.50		Heifers (M&L)	200- 300 lbs	91.00-117.00				
	900-1100 lbs	86.50- 92.00			400- 500 lbs	75.00-109.50				
	300- 400 lbs	100.00-118.00			600- 700 lbs	60.00- 78.00				
	400- 500 lbs	102.50-119.00			800- 900 lbs	59.00- 71.50				
	Heifers	500- 600 lbs	101.00-116.00		Hols Bulls Returned to farm	80- 90 lbs	80.00-132.50			
		600- 700 lbs	89.50- 104.00			100- 110 lbs	100.00-147.50			
		700- 800 lbs	90.00- 99.50			120 lbs	112.50-132.50			
				Holstein Heifers #2			105.00-135.00			
					Culls		42.50- 80.00			
					Jersey		10.00- 28.00			
Lancaster, New Holland & Vintage - Week Ending - Sep 25, 2004										
Bull, Holstein	90-120 lbs	160.00-187.00		Plainer	90-120 lbs	130.00-177.00				
Heifers, Hols	90-120 lbs	500.00-575.00		Plainer	90-120 lbs	360.00-428.00				
SLAUGHTER CATTLE (\$/cwt)										
Westminster, MD - Sep 21, 2004										
Fed Steers				Fed Heifers						
H-Ch		80.00-83.25		Ch		80.00-84.00				
L-Ch		77.50-80.00		L-Ch		75.50-79.50				
Select		71.50-77.00								
Cows										
High Dressing		50.00-56.00								
Breakers		45.00-50.00								
Boners		40.00-44.75								
Thin & Slow		39.00-Down								
Lancaster, New Holland & Vintage - Week Ending - Sep 25, 2004										
Steers, Ch 2-3		1155-1485 lbs		78.50-82.75		Weak - \$2 lower				
Heifers, Ch		985-1410 lbs		76.00-80.00		None				
Cows, Breakers 75-80 pct lean				51.50-55.50		\$1 - \$1.50 lower				
Bulls, YG 1		1135-2090 lbs		60.25-68.25		\$1 - \$2 lower				

For more information about this report, call 410-841-5740 or write:

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